

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:	Case No. 18-23538 (RDD)
	:	
Debtors.	:	(Jointly Administered)
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**DECLARATION OF ESTEBAN LAMADRID**

I, Esteban Lamadrid, make the following Declaration pursuant to 28 U.S.C. § 1746:

1. I am a certified and licensed general real estate appraiser in Puerto Rico. I have been an appraiser for 22 years and am a co-founder of Pons & Lamadrid Appraisers. I perform my appraisal work in compliance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute, of which I am a member.
2. Korein Tillery LLC, counsel for the Relator in the case captioned *United States ex rel. Garbe v. Kmart Corp.* (No. 12-cv-881, U.S. District Court, Southern District of Illinois), retained Pons & Lamadrid on March 6, 2019 to appraise real property known as Sears Distribution Center #8975, PR-176 Km 0.5, Cupey Bajo, San Juan, Puerto Rico (the "Puerto Rico Property").
3. Pons & Lamadrid had previously appraised the same property, having worked with the firm of Cushman & Wakefield to complete an appraisal report of the Puerto Rico Property in January 2017 for Sears Holdings Corporation.
4. The purpose of Pons & Lamadrid's current appraisal assignment was to establish the market value (fee simple interest) of the Puerto Rico Property as of the inspection date.
5. On March 15, 2019, I inspected the Puerto Rico Property, which consists of a large distribution warehouse and a small outlet store.

6. On April 5, 2019, Pons & Lamadrid completed its appraisal report of the Puerto Rico Property (the "Appraisal Report"). A true and correct copy of the Appraisal Report is attached to this Declaration as **Exhibit 1**, which includes (at 83-85) a list of my qualifications.

7. The Appraisal Report concludes that the Puerto Rico Property has some deferred maintenance items resulting from hurricane damage sustained in September 2017, but overall, that the property is both functional for its present use and well prepared for intensive and effective distribution operations.

8. The Appraisal Report further assigns (at 64-65 and 74-75) three different values to the Puerto Rico Property: (i) an "as if leased" value of \$22,300,000; (ii) an "as if vacant" value of \$16,600,000; and (iii) a reconciled "as is" market value of \$22,100,000.


9. Given the current use of the Puerto Rico Property as of its inspection date, the Appraisal Report determines the "as is" market value of \$22,100,000 to be the most accurate valuation of the property. The "as is" market value of real property is an estimate of the property's market value in its current physical condition, use, and zoning as of the appraisal date.

10. Pons & Lamadrid's fee for this appraisal was \$7,500. My firm's compensation has no effect on the substance of my opinions or any testimony that I might offer in this litigation.

I declare under penalty of perjury that the foregoing is true and correct.

Dated:

August 14, 2019

  
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Esteban Lamadrid, MAI